

March 1, 2012

RUBENSTEIN LUMBER CO.  
5357 W. GRAND AVENUE  
CHICAGO, IL 60639

Certified Mail Return/Receipt Requested

Employer # 00037-30037

Dear Employer:

Our records indicate RUBENSTEIN LUMBER CO. no longer employs participants with the Local 786 Lumber Employees Retirement Fund. Therefore our actuaries have calculated your withdrawal liability under the Multiemployer Pension Plan Amendments Act of 1980 (MEPPA).

Enclosed are the following:

- Schedule A information used in the calculation of the amount of withdrawal liability;
- Schedule B the calculation of the amount of the withdrawal liability; and
- Actuarial assumptions used in calculating the withdrawal liability.

The amount of the withdrawal liability after applying the de minimus rule under Section 4209 (a) of ERISA is \$926,375.00. The minimum schedule of payments listed below is due starting May 1, 2012 :

- Eighty (80) quarterly payments of \$14,468.00.

Demand for payment is hereby requested in accordance with the attached schedule.

If you have any questions, please call me at the P...

Sincerely,

*Jeffrey W. Hoff*

Jeffrey W. Hoff  
Administrator  
JWH/rtl

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Rubenstein Lumber  
5357 W. Grand Ave  
Chicago, IL  
60639

2. Article Number  
(from service label)

2020 2402 2000 0280 6002

A. Signature *[Signature]*  
B. Received by (Printed Name) *Rubenstein Lumber*  
C. Date of Delivery *3/2/12*  
D. Is delivery address different from item 1? ☐ Yes ☒ No  
If YES, enter delivery address below:

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.  
4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No

7009 0820 0002 2412 0707

102595-02-M-1540

**PLAINTIFF'S  
EXHIBIT**

*2*

## Schedule A

## INFORMATION USED IN THE CALCULATION OF THE WITHDRAWAL LIABILITY

Name of withdrawn employer: Rubenstein  
Date of withdrawal: October 1, 2011  
Date of Valuation: 2011

Plan Year Ending	Total Employer Contributions	Employers that Withdrew From / To	Contribution Totals for 5 Plan Years Net Contributions	Unfunded Vested Benefits	Rubenstein Contributions
		9/1/03 to 8/31/04			
8/31/00	\$1,395,156		\$1,395,156		\$21,600
8/31/01	887,294		887,294		21,600
8/31/02	862,113		862,113		18,920
8/31/03	823,302		823,302		24,180
8/31/04	855,210		<u>855,210</u>		<u>26,120</u>
<b>TOTAL 8/31/04</b>			4,823,075	\$4,212,058	112,420
		9/1/04 to 8/31/05	Net Contributions		
8/31/01	887,294		887,294		21,600
8/31/02	862,113		862,113		18,920
8/31/03	823,302		823,302		24,180
8/31/04	855,210		855,210		26,120
8/31/05	866,413		<u>866,413</u>		<u>31,200</u>
<b>TOTAL 8/31/05</b>			4,294,332	5,328,094	122,020
		9/1/05 to 8/31/06	Net Contributions		
8/31/02	862,113	4,628	857,485		18,920
8/31/03	823,302	4,836	818,466		24,180
8/31/04	855,210	5,004	850,206		26,120
8/31/05	866,413	5,200	861,213		31,200
8/31/06	828,760	1,500	<u>827,260</u>		<u>30,600</u>
<b>TOTAL 8/31/06</b>			4,214,630	4,756,430	131,020
		9/1/06 to 8/31/07	Net Contributions		
8/31/03	818,466	32,172	786,294		24,180
8/31/04	850,206	46,976	803,230		26,120
8/31/05	861,213	49,190	812,023		31,200
8/31/06	827,260	35,660	791,600		30,600
8/31/07	863,870	15,358	<u>848,512</u>		<u>31,772</u>
<b>TOTAL 8/31/07</b>			4,041,659	4,512,928	143,872



**Schedule A**  
**Cont'd**

**INFORMATION USED IN THE CALCULATION OF THE WITHDRAWAL LIABILITY**

<b>Plan Year Ending</b>	<b>Total Employer Contributions</b>	<b>Employers that Withdrew From / To</b>	<b>Contribution Totals for 5 Plan Years Net Contributions</b>	<b>Unfunded Vested Benefits</b>	<b>Rubenstein Lumber Contributions</b>
		9/1/07 to 8/31/08			
8/31/04	\$ 803,230	\$3,876	\$ 799,354		\$ 26,120
8/31/05	812,023	5,600	806,423		31,200
8/31/06	791,600	5,236	786,364		30,600
8/31/07	848,512	5,336	843,176		31,772
8/31/08	712,436	0	<u>712,436</u>		<u>29,548</u>
TOTAL 8/31/08			3,947,753	\$11,889,450	149,240
		9/1/08 to 8/31/09			
8/31/05	806,423	34,376	772,047		31,200
8/31/06	786,364	34,900	751,464		30,600
8/31/07	843,176	30,716	812,460		31,772
8/31/08	712,436	32,128	680,308		29,548
8/31/09	637,448	2,112	<u>635,336</u>		<u>26,244</u>
TOTAL 8/31/09			3,651,615	17,437,892	149,364
		9/1/09 to 8/31/10			
8/31/06	751,464	146,812	604,652		30,600
8/31/07	812,460	142,248	670,212		31,772
8/31/08	680,308	118,076	562,232		29,548
8/31/09	635,336	97,832	537,504		26,244
8/31/10	620,471	14,592	<u>605,879</u>		<u>25,038</u>
TOTAL 8/31/10			2,980,479	21,065,921	143,202
		9/1/10 to 8/31/11			
8/31/07	670,212	42,240	627,972		31,772
8/31/08	562,232	42,660	519,572		29,548
8/31/09	537,504	25,478	512,026		26,244
8/31/10	605,879	21,330	584,549		25,038
8/31/11	634,260	4,182	<u>630,078</u>		<u>22,579</u>
TOTAL 8/31/11			2,874,197	20,287,962 <sup>1</sup>	135,181

<sup>1</sup>Adjusted unfunded vested benefits to account for future withdrawal liability payments for those withdrawn employers current in their payment status.

**Schedule A**  
**Cont'd**

**INFORMATION USED IN THE CALCULATION OF THE WITHDRAWAL LIABILITY**

Plan Year Ending	Average Weekly Rate	Number of Contributions	3 Year Totals	Highest 3 Year Average
8/31/00	\$ 80.25	269.16		
8/31/01	85.00	254.12		
8/31/02	89.00	212.58	735.86	245.29
8/31/03	93.00	260.00	726.70	242.23
8/31/04	97.00	269.28	741.86	247.29
8/31/05	100.00	<b>312.00</b>	841.28	280.43
8/31/06	100.00	<b>306.00</b>	887.28	295.76
8/31/07	104.00	<b>305.50</b>	<b>923.50</b>	<b>307.83</b>
8/31/08	120.00	246.23	857.73	285.91
8/31/09	138.00	190.17	741.90	247.30
8/31/10	160.50	156.00	592.40	197.47
8/31/11	184.50	122.38	468.55	156.18



**Schedule B**  
**Cont'd**

### CALCULATION OF THE AMOUNT OF THE WITHDRAWAL LIABILITY

The withdrawal liability was calculated in accordance with Section 4211 (b) of ERISA known as the presumptive method. The Trustees have adopted a modification to this method, which has been approved by the Pension Benefit Guaranty Corporation, such that if the amount of unfunded vested benefits is zero or less, all amounts determined under Sections 4211(b)(1)(A), (B) or (C) of ERISA prior to that time are considered to be equal to zero.

As of August 31, 2003, the unfunded vested benefit was zero; therefore, the presumptive method starts fresh as of August 31, 2004, when the unfunded vested benefits were \$4,212,058.

Under the presumptive method of calculating an employer's withdrawal liability is a portion of each year's changes in unfunded vested benefits for plan years ending after September 25, 1980 under which the employer was obligated to contribute.

Detail of the calculation of this Post September 25, 1980 Liability Portion follows:

**a) Withdrawal Liability Calculation as of August 31, 2004:**

- (i) Unfunded vested benefits for plan year ending August 31, 2004:

\$ 4,212,058

- (ii) The unamortized amount as of August 31, 2011:

\$ 2,737,838 (65% x \$4,212,058)

- (iii) Employer's portion: \$2,737,838 x (\$112,420 ÷ \$4,823,075), or

\$ 63,819 (\$2,737,838 x .02331)

**b) Withdrawal Liability Calculation as of August 31, 2005:**

- (i) Change in unfunded vested benefits for plan year ending August 31, 2005:

\$ 5,328,094

- 4,001,455 (95% x \$4,212,058)

\$ 1,326,639

- (ii) The unamortized amount as of August 31, 2011:

\$ 928,647 (70% x \$1,326,639)

- (iii) Employer's portion: \$928,647 x (\$122,020 ÷ \$4,294,332), or

\$ 26,383 (\$928,647 x .02841)

**c) Withdrawal Liability Calculation as of August 31, 2006:**

- (i) Change in unfunded vested benefits for plan year ending August 31, 2006:

\$ 4,756,430

- 3,790,852 (90% x \$4,212,058)

- 1,260,307 (95% x \$1,326,639)

\$ (294,729)

**Schedule B**  
**Cont'd**

**CALCULATION OF THE AMOUNT OF THE WITHDRAWAL LIABILITY**

- (ii) The unamortized amount as of August 31, 2011:  
\$ (221,047) (75% x (\$294,729))
- (iii) Employer's portion:  $$(221,047) \times (\$131,020 \div \$4,214,630)$ , or  
\$ (6,872)  $((\$221,047) \times .03109)$

**d) Withdrawal Liability Calculation as of August 31, 2007:**

- (i) Change in unfunded vested benefits for plan year ending August 31, 2007:  
\$ 4,512,928  
- 3,580,249 (85% x \$4,212,058)  
- 1,193,975 (90% x \$1,326,639)  
- (279,993) (95% x (\$294,729))  
\$ 18,697
- (ii) The unamortized amount as of August 31, 2011:  
\$ 14,958 (80% x \$18,697)
- (iii) Employer's portion:  $\$14,958 \times (\$143,872 \div \$4,041,659)$ , or  
\$ 533  $(\$14,958 \times .03560)$

**e) Withdrawal Liability Calculation as of August 31, 2008:**

- (i) Change in unfunded vested benefits for plan year ending August 31, 2008:  
\$ 11,889,450  
- 3,369,646 (80% x \$4,212,058)  
- 1,127,643 (85% x \$1,326,639)  
- (265,256) (90% x (\$294,729))  
- 17,762 (95% x \$18,697)  
\$ 7,639,655
- (ii) The unamortized amount as of August 31, 2011:  
\$ 6,493,707 (85% x \$7,639,655)
- (iii) Employer's portion:  $\$6,493,707 \times (\$149,240 \div \$3,947,753)$ , or  
\$ 245,462  $(\$6,493,707 \times .03780)$

**f) Withdrawal Liability Calculation as of August 31, 2009:**

- (i) Change in unfunded vested benefits for plan year ending August 31, 2009:  
\$ 17,437,892  
- 3,159,044 (75% x \$4,212,058)  
- 1,061,311 (80% x \$1,326,639)  
- (250,520) (85% x (\$294,729))  
- 16,827 (90% x \$18,697)  
- 7,257,672 (95% x \$7,639,655)  
\$ 6,193,558
- (ii) The unamortized amount as of August 31, 2011:



**Schedule B**  
**Cont'd**

**CALCULATION OF THE AMOUNT OF THE WITHDRAWAL LIABILITY**

\$ 5,574,202 (90% x \$6,193,558)

(iii) Employer's portion: \$5,574,202 x (\$149,364 ÷ \$3,651,615), or

\$ 227,985 (\$5,574,202 x .04090)

**g) Withdrawal Liability Calculation as of August 31, 2010:**

(i) Change in unfunded vested benefits for plan year ending August 31, 2010:

\$ 21,065,921  
 - 2,948,441 (70% x \$4,212,058)  
 - 994,979 (75% x \$1,326,639)  
 - (235,783) (80% x (\$294,729))  
 - 15,892 (85% x \$18,697)  
 - 6,875,690 (90% x \$7,639,655)  
 - 5,883,880 (95% x \$6,193,558)  
 \$ 4,582,822

(ii) The unamortized amount as of August 31, 2011:

\$ 4,353,681 (95% x \$4,582,822)

(iii) Employer's portion: \$4,353,681 x (\$143,202 ÷ \$2,980,479), or

\$ 209,194 (\$4,353,681 x .04805)

**h) Withdrawal Liability Calculation as of August 31, 2011:**

(i) Change in unfunded vested benefits for plan year ending August 31, 2011:

\$ 20,287,962  
 - 2,737,838 (65% x \$4,212,058)  
 - 928,647 (70% x \$1,326,639)  
 - (221,047) (75% x (\$294,729))  
 - 14,958 (80% x \$18,697)  
 - 6,493,707 (85% x \$7,639,655)  
 - 5,574,202 (90% x \$6,193,558)  
 - 4,353,681 (95% x \$4,582,822)  
 \$ 405,976

(ii) The unamortized amount as of August 31, 2011:

\$ 405,976 (100% x \$405,976)

(iii) Employer's portion: \$405,976 x (\$135,181 ÷ \$2,874,197), or

\$ 19,093 (\$405,976 x .04703)

**i) Reallocation Liability:**

The reallocated pools consist of amounts that are non-collectible. These are amounts that withdrawn employers are expected not to contribute to the Pension Fund and need to be reallocated to the unfunded value of vested benefits.

Schedule B  
Cont'd**CALCULATION OF THE AMOUNT OF THE WITHDRAWAL LIABILITY**

Terminated during 2005 Plan Year (September 1, 2005 to August 31, 2006)

<b>Employer</b>	<b>Amount of Withdrawal Liability (prior to applying the de minimis amount)</b>
Century Lumber	\$26,262

Terminated during 2006 Plan Year (September 1, 2006 to August 31, 2007)

<b>Employer</b>	<b>Amount of Withdrawal Liability (prior to applying the de minimis amount)</b>
Evanston Lumber	\$ 35,673
Royal Components	33,847
Total	\$69,520

Amount Determined Uncollectible during 2006 Plan Year (September 1, 2006 to August 31, 2007)

<b>Employer</b>	<b>Amount Determined Uncollectible</b>
Royal Components	\$38,541

Terminated during 2007 Plan Year (September 1, 2007 to August 31, 2008)

<b>Employer</b>	<b>Amount of Withdrawal Liability (prior to applying the de minimis amount)</b>
Chicago Panel & Truss	\$26,896

Terminated during 2009 Plan Year (September 1, 2009 to August 31, 2010)

<b>Employer</b>	<b>Amount of Withdrawal Liability (prior to applying the de minimis amount)</b>
Ockerlund	\$17,731

Amount in excess of 20-year maximum reallocated during 2009 Plan Year (September 1, 2009 to August 31, 2010)

<b>Employer</b>	<b>Amount Reallocated</b>
Edward Hines	21,131
INR Beatty	156,950
Total	\$178,081

Amount Determined Uncollectible during 2009 Plan Year (September 1, 2009 to August 31, 2010)

<b>Employer</b>	<b>Amount Determined Uncollectible</b>
Edward Hines	\$1,163,100
INR Beatty	1,492,660
Total	\$2,655,760



**Schedule B**  
**Cont'd**

**CALCULATION OF THE AMOUNT OF THE WITHDRAWAL LIABILITY**

Amount in excess of 20-year maximum reallocated during 2010 Plan Year (September 1, 2010 to August 31, 2011)

<b>Employer</b>	<b>Amount Reallocated</b>
Mayfair	\$128,788

The reallocated pools as of August 31, 2011 are as follows:

	<b>Reallocated Liability Pools</b>			
<b>Terminated During Plan Year</b>	<b>Initial Value</b>	<b>Unamortized Portion</b>	<b>Employer Portion Percentage</b>	<b>Reallocation Liability</b>
2005	\$ 26,262	\$ 19,697	0.03109	\$ 612
2006	108,061	86,449	0.03560	3,078
2007	26,896	22,862	0.03780	864
2009	2,851,572	2,708,993	0.04805	130,167
2010	128,788	128,788	.04703	6,057
<b>Total as of August 31, 2011</b>				<b>\$140,778</b>

**j) The total withdrawal liability is the sum of:**

1. Withdrawal liability for plan year ending	8/31/04	\$ 63,819
	8/31/05	26,383
	8/31/06	(6,872)
	8/31/07	533
	8/31/08	245,462
	8/31/09	227,985
	8/31/10	209,194
	8/31/11	<u>19,093</u>
		\$785,597
2. Reallocation liability	8/31/06	\$ 612
	8/31/07	3,078
	8/31/08	864
	8/31/10	130,167
	8/31/11	<u>6,057</u>
		\$ 140,778
3. Withdrawal Liability		\$ 926,375
4. Less: De minimis amount		<u>0<sup>1</sup></u>
5. Total withdrawal liability		<u>\$ 926,375</u>

<sup>1</sup> ERISA Section 4209(a) provides that an employer's liability will be reduced by an amount computed under a de minimis rule. The mandatory amount is the lesser of:

- a) \$50,000; or

**Schedule B**  
**Cont'd**

**CALCULATION OF THE AMOUNT OF THE WITHDRAWAL LIABILITY**

- b)  $\frac{3}{4}$  of 1% of the plan's unfunded vested benefits determined as of the close of the plan year ending before the date of withdrawal (plan year ending August 31, 2011) or  $\frac{3}{4}$  of 1% of \$20,287,962 is \$152,160.

However, if the amount of the withdrawal liability exceeds \$100,000 then the de minimis amount is reduced by the amount the withdrawal liability exceeds \$100,000. The de minimis amount of \$50,000 is reduced by \$826,375 (\$926,375 - \$100,000) but cannot be less than zero. Therefore, the de minimis amount is \$0.

**k) Determination of annual/quarterly payment (See Schedule A for more detail):**

Three consecutive years in which the contribution units were the highest:

<b>Plan Year Ending</b>	<b>Units (weeks)</b>
August 31, 2005	312.00
August 31, 2006	306.00
August 31, 2007	<u>305.50</u>
Total	$923.50 \div 3 = 307.83$

Highest contribution rate:	\$188.00 per week
Annual Payment:	\$57,872 (307.83 weeks x \$188.00 per week)
Quarterly Payment:	\$14,468 (\$57,872 $\div$ 4)
Payment Schedule:	Eighty (80) quarterly payments of \$14,468.
Interest Rate:	The unpaid balance is charged interest at the rate of 7.00% compounded annually.



**Attachment****ACTUARIAL ASSUMPTIONS**

The Actuarial Assumptions used are as follows:

**1. Rate of Retirement**

Age 62 or completion of service requirement, if later.

**2. Interest Rate**

Valuation: 7.00% compounded annually, net of investment and administrative expenses.

Current Liability: 4.44% compounded annually, net of investment and administrative expenses.

**3. Rates of Mortality**

Valuation:

Healthy: RP2000 Healthy Combined Mortality Tables, Male and Female.

Disabled: PBGC 2006 Male and Female mortality table for disabled participants receiving social security disability benefit payments.

**4. Rates of Withdrawal and Disability**

The rates of withdrawal are shown in the attachment to this table.

**5. Percentage of Active Membership Married and Age of Spouse**

It is assumed that all active members are married according to the percentages shown below and each male participant has a spouse 4 years younger and each female participant has a spouse 4 years older.

<b>Age</b>	<b>Males (%)</b>	<b>Females (%)</b>
20-24	23.1	38.9
25-29	53.3	63.8
30-34	68.9	73.5
35-39	78.0	76.1
40-44	79.5	76.1
45-54	83.8	76.1
55-64	83.7	70.3
65-74	81.0	51.2
74 and older	69.8	23.9

**6. Assets**

Assets are valued at Market Value.

**Attachment  
Cont'd**

**ACTUARIAL ASSUMPTIONS**

	Rate (%)			
	Mortality			
Age	Male	Female	Disablement <sup>1</sup>	Withdrawal <sup>2</sup>
20	.0345	.0191	0.07	7.94
25	.0376	.0207	0.07	7.72
30	.0444	.0264	0.07	7.40
35	.0773	.0475	0.08	6.86
40	.1079	.0706	0.11	6.11
45	.1508	.1124	0.23	5.16
50	.2138	.1676	0.50	3.62
55	.3624	.2717	1.07	1.37
60	.6747	.5814	2.17	0.13

<sup>1</sup>Applies only if eligible for a disability benefit.

<sup>2</sup> Applies prior to eligibility for early retirement.